# HOUSE BILL NO. 914

# INTRODUCED BY S. RICE, SVRCEK

## IN THE HOUSE

FEBRUARY 18, 1991

INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.

DO PASS AS AMENDED. REPORT ADOPTED.

ON MOTION, RULES SUSPENDED. BILL PLACED ON THIRD READING THIS DAY.

FIRST READING.

PRINTING REPORT.

COMMITTEE RECOMMEND BILL

SECOND READING, DO PASS.

THIRD READING, PASSED. AYES, 88; NOES, 12.

ENGROSSING REPORT.

MARCH 27, 1991

MARCH 28, 1991

APRIL 3, 1991

APRIL 4, 1991

TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 4, 1991

ON TAXATION.

INTRODUCED AND REFERRED TO COMMITTEE

FIRST READING.

APRIL 12, 1991 COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.

APRIL 15, 1991 SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 18, 1991

APRIL 16, 1991

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS

# CONCURRED IN.

APRIL 19, 1991

THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

#### 52nd Legislature

LC 1794/01

INTRODUCED BY Shie South 1 2 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND 5 SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION 6 LATER SALE OR LEASE TO A PROFIT-ORIENTED. 7 FOR 8 EMPLOYMENT-STIMULATING BUSINESS." 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 11 NEW SECTION. Section 1. Definitions. Unless the context requires otherwise, the following definitions apply 12 to [sections 1 and 2]: 13 (1) "Building and land" means commercial improvements 14 and land sold or donated to a local economic development 15 16 organization for subsequent sale or lease to a 17 profit-oriented, employment-stimulating business. The term includes commercial property that has not been used in a 18 business for 6 months immediately preceding the sale or 19 donation of the building and land to the local economic 20 21 development organization. (2) "Local economic development organization" means a 22 private, nonprofit organization whose primary purposes are 23 to develop the economy of its area and to provide assistance 24 25 to businesses in that area.

NEW SECTION. Section 2. Building 1 and land tax 2 exemption -- procedure -- termination. (1) A building and land owned by a local economic development organization that 3 the local economic development organization intends to sell Δ 5 or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes 6 7 as provided in this section.

8 (2) In order to qualify for the tax exemption described 9 in this section, the governing body of the affected 10 incorporated city or town or, if the building and land are 11 located in an unincorporated area, the consolidated 12 government or county shall approve the tax exemption by 13 resolution, after notice and hearing. Prior to holding the 14 hearing, the governing body shall determine that the local 15 economic development organization:

16 (a) is a private, nonprofit corporation, as provided in
17 Title 35, chapter 2, and is exempt from taxation under
18 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;
19 (b) is engaged in economic development and business
20 assistance work in the area; and

21 (c) owns or will own the building and land.

(3) The tax exemption described in subsection (1)
applies to the number of mills levied and assessed in the
jurisdictions in which the building and land are located.
The exemption applies to levies or assessments required

INTRODUCED BILL - 2-HB 914

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#### LC 1794/01

and a state for the product of the state of

under Title 15, chapter 10, 20-9-331, or 20-9-333 and other
 levies required under state law.

3 (4) When a local economic development organization 4 sells, leases, or otherwise disposes of the exempt property 5 to a purchaser or lessee that is not a local economic 6 development organization or a unit of federal, state, or 7 local government, the tax exemption provided in this section 8 terminates. The termination of the exemption applies January 9 1 of the taxable year immediately following the sale, lease, or other disposition of the property. 10

<u>NEW SECTION.</u> Section 3. Codification instruction.
 [Sections 1 and 2] are intended to be codified as an
 integral part of Title 15, chapter 24, and the provisions of
 Title 15, chapter 24, apply to [sections 1 and 2].

-End-

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# 52nd Legislature

HB 0914/02

## APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 914
2	INTRODUCED BY S. RICE, SVRCEK
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL
5	GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND
6	SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION
7	FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED,
8	EMPLOYMENT-STIMULATING BUSINESS."
9	
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11	NEW SECTION. Section 1. Definitions. Unless the
12	context requires otherwise, the following definitions apply
13	to [sections 1 and 2]:
14	(1) "Building and land" means commercial improvements
15	and land sold or donated to a local economic development
16	organization for subsequent sale or lease to a
17	profit-oriented, employment-stimulating business. The term
18	includes commercial property that has not been used in a
19	business for 6 months immediately preceding the sale or
20	donation of the building and land to the local economic
<b>2</b> 1	development organization.
22	(2) IF THE DEPARTMENT OF REVENUE MAKES AN INITIAL
23	DETERMINATION THAT THE BUILDING AND LAND QUALIFIES FOR THE
24	PROPERTY TAX EXEMPTION, IT SHALL PUBLISH NOTICE OF AND HOLD
25	A PUBLIC HEARING TO DETERMINE WHETHER THE PROPERTY SHOULD BE

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SECOND READING

1	EXEMPT FROM TAXATION.
2	(3) (A) FOR A TAXPAYER TO RECEIVE THE TAX EXEMPTION
3	DESCRIBED IN SUBSECTION (1), THE GOVERNING BODY OF THE
4	APPECTED INCORPORATED CITY OR TOWN, COUNTY, OR CONSOLIDATED
5	GOVERNMENT, FOLLOWING THE PUBLIC HEARING PROVIDED FOR IN
6	SUBSECTION (2), SHALL GIVE DUE NOTICE, AS DEFINED IN
7	76-15-103, AND HOLD A PUBLIC HEARING. THE GOVERNING BODY MAY
8	APPROVE OR DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN
9	SUBSECTION (1). IF APPROVED, THE GOVERNING BODY MUST DO SO
10	BY A SEPARATE RESOLUTION. THE GOVERNING BODY MAY NOT GRANT
11	APPROVAL FOR THE BUILDING AND LAND UNTIL ALL OF THE
12	APPLICANT'S TAXES HAVE BEEN PAID IN FULL. TAXES PAID UNDER
13	PROTEST DO NOT PRECLUDE APPROVAL.
14	(B) THE RESOLUTION PROVIDED FOR IN SUBSECTION (3)(A)
15	MUST INCLUDE THE APPLICATION SUBMITTED TO THE DEPARTMENT BY
16	THE TAXPAYER SEEKING THE EXEMPTION.
17	(C) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF
18	THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE
19	THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN
20	THIS SECTION.
21	<pre>f2)(4) "Local economic development organization" means</pre>
22	a private, nonprofit organization whose primary purposes are
23	to develop the economy of its area and to provide assistance
24	to businesses in that area.
25	NEW SECTION. Section 2. Building and land tax

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exemption -- procedure -- termination. (1) A building and land owned by a local economic development organization that the local economic development organization intends to sell or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes as provided in this section.

7 (2) In order to qualify for the tax exemption described 8 in this section, the governing body of the affected 9 incorporated city or town or, if the building and land are 10 located in an unincorporated area, the consolidated government or county shall approve the tax exemption by 11 resolution, after notice and hearing. Prior to holding the 12 13 hearing, the governing body shall determine that the local 14 economic development organization:

15 (a) is a private, nonprofit corporation, as provided in 16 Title 35, chapter 2, and is exempt from taxation under 17 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code; 18 (b) is engaged in economic development and business 19 assistance work in the area; and

20 (c) owns or will own the building and land.

(3) The tax exemption described in subsection (1)
applies to the number of mills levied and assessed in the
jurisdictions in which the building and land are located.
The exemption applies to levies or assessments required
under Title 15, chapter 10, 20-9-331, or 20-9-333 and other

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1 levies required under state law.

2	(4) When a local economic development organization
3	sells, leases, or otherwise disposes of the exempt property
4	to a purchaser or lessee that is not a local economic
5	development organization or a unit of federal, state, or
6	local government, the tax exemption provided in this section
7	terminates. The termination of the exemption applies January
8	l of the taxable year immediately following the sale, lease,
9	or other disposition of the property. [UPON TERMINATION OF
10	THE EXEMPTION, THE PROPERTY MUST BE ASSESSED AS PROVIDED IN
11	[SECTION 1 OF HOUSE BILL NO. 757].]
12	NEW SECTION. Section 3. Codification instruction.
13	[Sections 1 and 2] are intended to be codified as an
14	integral part of Title 15, chapter 24, and the provisions of
15	Title 15, chapter 24, apply to [sections 1 and 2].
16	NEW SECTION. SECTION 4. COORDINATION INSTRUCTION, IF
17	HOUSE BILL NO. 757 IS NOT PASSED AND APPROVED, THE BRACKETED
18	SENTENCE IN [SECTION 2(4) OF THIS ACT] IS VOID.
	-End-

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1	HOUSE BILL NO. 914	1	EXEMPT FROM TAXATION.
2	INTRODUCED BY S. RICE, SVRCEK	2	(3) (A) FOR A TAXPAYER TO RECEIVE THE TAX EXEMPTION
3		3	DESCRIBED IN SUBSECTION (1), THE GOVERNING BODY OF THE
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL		
5	GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND	4	AFFECTED INCORPORATED CITY OR TOWN, COUNTY, OR CONSOLIDATED
6	SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION	5	GOVERNMENT, FOLLOWING THE PUBLIC HEARING PROVIDED FOR IN
7	FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED,	6	SUBSECTION (2), SHALL GIVE DUE NOTICE, AS DEFINED IN
8	EMPLOYMENT-STIMULATING BUSINESS."	7	76-15-103, AND HOLD A PUBLIC HEARING. THE GOVERNING BODY MAY
9		8	APPROVE OR DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	SUBSECTION (1). IF APPROVED, THE GOVERNING BODY MUST DO SO
		10	BY A SEPARATE RESOLUTION. THE GOVERNING BODY MAY NOT GRANT
11	NEW SECTION. Section 1. Definitions. Unless the	11	APPROVAL FOR THE BUILDING AND LAND UNTIL ALL OF THE
12	context requires otherwise, the following definitions apply	12	APPLICANT'S TAXES HAVE BEEN PAID IN FULL. TAXES PAID UNDER
13	to [sections 1 and 2]:	13	PROTEST DO NOT PRECLUDE APPROVAL.
14	(1) "Building and land" means commercial improvements	14	(B) THE RESOLUTION PROVIDED FOR IN SUBSECTION (3)(A)
15	and land sold or donated to a local economic development	15	MUST INCLUDE THE APPLICATION SUBMITTED TO THE DEPARTMENT BY
16	organization for subsequent sale or lease to a	16	THE TAXPAYER SEEKING THE EXEMPTION.
17	profit-oriented, employment-stimulating business. The term	17	(C) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF
18	includes commercial property that has not been used in a	18	THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE
19	business for 6 months immediately preceding the sale or	19	
20	donation of the building and land to the local economic		THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN
21	development organization.	20	THIS SECTION.
22	(2) IF THE DEPARTMENT OF REVENUE MAKES AN INITIAL	21	<b>†</b> ₽ <u>→(4)</u> "Local economic development organization" means
		22	a private, nonprofit organization whose primary purposes are
23	DETERMINATION THAT THE BUILDING AND LAND QUALIFIES FOR THE	23	to develop the economy of its area and to provide assistance
24	PROPERTY TAX EXEMPTION, IT SHALL PUBLISH NOTICE OF AND HOLD	24	to businesses in that area.
25	A PUBLIC HEARING TO DETERMINE WHETHER THE PROPERTY SHOULD BE	25	NEW SECTION. Section 2. Building and land tax
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Nontana Legislative Council

-2-HB 914 THIRD READING

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exemption -- procedure -- termination. (1) A building and land owned by a local economic development organization that the local economic development organization intends to sell or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes as provided in this section.

7 (2) In order to qualify for the tax exemption described in this section, the governing body of the affected 8 9 incorporated city or town or, if the building and land are 10 located in an unincorporated area, the consolidated 11 government or county shall approve the tax exemption by 12 resolution, after notice and hearing. Prior to holding the 13 hearing, the governing body shall determine that the local 14 economic development organization:

(a) is a private, nonprofit corporation, as provided in
Title 35, chapter 2, and is exempt from taxation under
section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;
(b) is engaged in economic development and business
assistance work in the area; and

20 (c) owns or will own the building and land.

(3) The tax exemption described in subsection (1)
applies to the number of mills levied and assessed in the
jurisdictions in which the building and land are located.
The exemption applies to levies or assessments required
under Title 15, chapter 10, 20-9-331, or 20-9-333 and other

1 levies required under state law.

2	(4) When a local economic development organization
3	sells, leases, or otherwise disposes of the exempt property
4	to a purchaser or lessee that is not a local economic
5	development organization or a unit of federal, state, or
6	local government, the tax exemption provided in this section
7	terminates. The termination of the exemption applies January
8	l of the taxable year immediately following the sale, lease,
9	or other disposition of the property. [UPON TERMINATION OF
10	THE EXEMPTION, THE PROPERTY MUST BE ASSESSED AS PROVIDED IN
11	[SECTION 1 OF HOUSE BILL NO. 757].]
12	<u>NEW SECTION.</u> Section 3. Codification instruction.
13	[Sections 1 and 2] are intended to be codified as an
14	integral part of Title 15, chapter 24, and the provisions of
15	Title 15, chapter 24, apply to [sections 1 and 2].
16	NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF
17	HOUSE BILL NO. 757 IS NOT PASSED AND APPROVED, THE BRACKETED

18 SENTENCE IN (SECTION 2(4) OF THIS ACT] IS VOID.

-End-

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HB 914

#### SENATE STANDING COMMITTEE REPORT

Page 1 of 2 April 12, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 914 (third reading copy -- blue), respectfully report that House Bill No. 914 be amended and as so amended be concurred in.

1. Page 1, line 22 through page 2, line 20. Strike: subsections (2) and (3) in their entirety Renumber: subsequent subsection

2. Page 3, line 8. Following, "affected" Insert: "county, consolidated government,"

3. Page 3, lines 9 through 11. Following: "town" on line 9 Insert: "," Strike: ", if" on line 9 through "county" on line 11 Insert: "school district in which the building and land are located"

4. Page 3, line 12. Following, "after" Insert: "due"

Following, "notice" Insert: ", as defined in 76-15-103,"

Following, "hearing." Insert: "The governing body may approve or disapprove the tax exemption provided for in subsection (1). The governing body shall approve a tax exemption by a separate resolution.

The governing body may not grant approval for the building and land until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval."

5. Page 3.

Following: line 20

Insert: (3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the assessor shall make the assessment change for the tax exemption provided for in this section."

Renumber: subsequent subsections

6. Page 3, line 22. Following: "applies" Insert: "only"

7. Page 3, lines 22 through 24. Strike: "in" on line 22 through "The" on line 24

Page 2 of 2 April 12, 1991

Insert: "by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the"

Signed: Mike Halligan Chairman

<u>5 13 4/13</u> 2:35 Sec. of Senate

SENATE

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#### HB 0914/03

1	HOUSE BILL NO. 914	1	BXEMPT-PROM-TAXATION.
2	INTRODUCED BY S. RICE, SVRCEK	2	<u>tjta)-forataxpayertoreceive-the-tax-exemption</u>
3		3	DESCRIBED-IN-SUBSECTION(1)7THEGOVERNINGBODYOPTHE
4	A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL	4	APPECTEDINCORPORATED-CITY-OR-TOWN7-COUNTY7-OR-CONSOLIDATED
5	GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND	5	GOVERNMENT7-FOLLOWING-THE-PUBLICHEARINGPROVIDEDFORIN
6	SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION	6	SUBSECTION{2};SHALL-GIVEDUENOTICE;ASDEFINEDIN
7	FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED,	7	76-15-1037-AND-HOLD-A-PUBLIC-HEARINGT-THE-GOVERNING-BODY-MAY
8	EMPLOYMENT-STIMULATING BUSINESS."	8	APPROVEORDISAPPROVETHETAXEXEMPTION-PROVIDED-FOR-IN
9		9	SUBSECTION-(1)IP-APPROVED,-THE-GOVERNING-BODY-MUSTDOSO
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	10	<u>BYASEPARATE-RESOLUTION-THE-GOVERNING-BODY-MAY-NOT-GRANT</u>
11	NEW SECTION. Section 1. Definitions. Unless the	11	APPROVALPORTHEBUILDINGANDLANDUNTILALLOFTHE
12	context requires otherwise, the following definitions apply	12	APP&ICANT'S-TAXES-HAVE-BEEN-PAID-IN-FU&&-TAXESPAIDUNDER
13	to [sections 1 and 2]:	13	PROTEST-DO-NOT-PRECLUBE-APPROVAL-
14	(1) "Building and land" means commercial improvements	14	<del>{B}THERESOLUTIONPROVIDEDPOR-IN-SUBSECTION-{3}{A}</del>
15	and land sold or donated to a local economic development	15	MUST-INCLUDE-THE-APPLICATION-SUBMITTED-TO-THE-DEPARTMENTBY
16	organization for subsequent sale or lease to a	16	PHE-TAXPAYER-SEEKING-THE-EXEMPTION.
17	profit-oriented, employment-stimulating business. The term	17	tetuponreceiptof-approval-of-the-governing-boby-of
18	includes commercial property that has not been used in a	18	THE-AFFECTED-TAXING-JURISDICTION;-THE-ASSESSORSHALLMAKE
19	business for 6 months immediately preceding the sale or	19	THEASSESSMENT-CHANGE-POR-THE-TAX-EKEMPTION-PROVIDED-POR-IN
20	donation of the building and land to the local economic	20	PHIS-SEEPION-
21	development organization.	21	<pre>f2ft4f(2) "Local economic development organization"</pre>
22	<u> </u>	22	means a private, nonprofit organization whose primary
23	DETERMINATIONTHATTHE-BUILDING-AND-LAND-QUALIFIES-POR-THE	23	purposes are to develop the economy of its area and to
24	PROPERTY-TAX-EXEMPTION7-IT-SHALL-PUBLISH-NOTICE-OF-ANDHOLD	24	provide assistance to businesses in that area.
25	A-PUBLIC-HEARING-TO-DETERMINE-WHETHER-THE-PROPERTY-SHOULD-BE	25	NEW SECTION. Section 2. Building and land tax

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- re to develop the economy of its area and to
- sistance to businesses in that area.
- NEW SECTION. Section 2. Building and land 25 tax

# Montana Legislative Council

HB 914 - 2 -REFERENCE BILL AS AMENDED

is the first of the Alexander of the Alexander of the second and the

exemption -- procedure -- termination. (1) A building and land owned by a local economic development organization that the local economic development organization intends to sell or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes as provided in this section.

7 (2) In order to gualify for the tax exemption described in this section, the governing body of the affected COUNTY, 8 9 CONSOLIDATED GOVERNMENT, incorporated city or town, or7--if the-building-and-land-are-located-in-an-unincorporated-area; 10 11 the -- consolidated -- government -- or -- county SCHOOL DISTRICT IN 12 WHICH THE BUILDING AND LAND ARE LOCATED shall approve the 13 tax exemption by resolution, after DUE notice, AS DEFINED IN 76-15-103, and hearing. THE GOVERNING BODY MAY APPROVE OR 14 15 DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN SUBSECTION (1). 16 THE GOVERNING BODY SHALL APPROVE A TAX EXEMPTION BY A 17 SEPARATE RESOLUTION. THE GOVERNING BODY MAY NOT GRANT APPROVAL FOR THE BUILDING AND LAND UNTIL ALL OF THE 18 19 APPLICANT'S TAXES HAVE BEEN PAID IN FULL. TAXES PAID UNDER 20 PROTEST DO NOT PRECLUDE APPROVAL. Prior to holding the 21 hearing, the governing body shall determine that the local 22 economic development organization:

(a) is a private, nonprofit corporation, as provided in
Title 35, chapter 2, and is exempt from taxation under
section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business 5 2 assistance work in the area; and 3 (c) owns or will own the building and land. (3) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF 4 5 THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN 6 7 THIS SECTION. (3) (4) The tax exemption described in subsection (1) 8 9 applies ONLY to the number of mills levied and assessed in the--jurisdictions--in--which--the--building--and--land--are 10 tocated --- The BY THE GOVERNING BODY APPROVING THE EXEMPTION 11 12 OVER WHICH THE GOVERNING BODY HAS SOLE DISCRETION. IF THE 13 GOVERNING BODY OF A COUNTY, CONSOLIDATED GOVERNMENT, OR INCORPORATED CITY OR TOWN APPROVES THE EXEMPTION, THE 14 exemption applies to levies or assessments required under 15 Title 15, chapter 10, 20-9-331, or 20-9-333 and other levies 16 17 required under state law. (4)(5) When a local economic development organization 18 sells, leases, or otherwise disposes of the exempt property 19 to a purchaser or lessee that is not a local economic 20 development organization or a unit of federal, state, or 21 local government, the tax exemption provided in this section 22 terminates. The termination of the exemption applies January 23 1 of the taxable year immediately following the sale, lease, 24

25 or other disposition of the property. [UPON TERMINATION OF

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[SECTION 1 OF HOUSE BILL NO. 757].]
NEW SECTION. Section 3. Codification instruction.
[Sections 1 and 2] are intended to be codified as an
integral part of Title 15, chapter 24, and the provisions of
Title 15, chapter 24, apply to [sections 1 and 2].
NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF
HOUSE BILL NO. 757 IS NOT PASSED AND APPROVED, THE BRACKETED
SENTENCE IN [SECTION 2(4) OF THIS ACT] IS VOID.
-End-

THE EXEMPTION, THE PROPERTY MUST BE ASSESSED AS PROVIDED IN

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1 HOUSE BILL NO. 914 INTRODUCED BY S. RICE, SVRCEK 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A LOCAL 4 5 GOVERNMENT TO EXEMPT FROM PROPERTY TAXES A BUILDING AND LAND 6 SOLD OR DONATED TO A LOCAL ECONOMIC DEVELOPMENT ORGANIZATION FOR LATER SALE OR LEASE TO A PROFIT-ORIENTED, 7 8 EMPLOYMENT-STIMULATING BUSINESS." 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 NEW SECTION. Section 1. Definitions. Unless 11 the context requires otherwise, the following definitions apply 12 13 to [sections 1 and 2]: (1) "Building and land" means commercial improvements 14 15 and land sold or donated to a local economic development organization for subsequent sale or lease to a 16 profit-oriented, employment-stimulating business. The term 17 includes commercial property that has not been used in a 18 19 business for 6 months immediately preceding the sale or donation of the building and land to the local economic 20 21 development organization. +2)--IF-THE--BEPARTMENT--OF--REVENUE--MAKES--AN--INITIAL 22 DETERMINATION--THAT--THE-BUILDING-AND-LAND-QUALIFIES-FOR-THE 23

24 PROPERTY-TAX-EXEMPTION7-IT-SHALL-PUBLISH-NOTICE-OF-AND--HOLD

25 A-PUBLIC-HEARING-TO-DETERMINE-WHETHER-THE-PROPERTY-SHOULD-BE

Nontana Legislative Council

HB 0914/03

1	EXEMPT-PROM-TAXATION+								
2	<u>t=}ta}-forataxfayerforeceive-fhe-fax-exemption</u>								
3	DESCRIBED-IN-SUBSECTION(1)7THEGOVERNINGBOBYOFTHE								
4	APPECTEDINCORPORATED-CITY-OR-TOWN7-COUNTY7-OR-CONSOLIDATED								
5	GOVERNMENT7-POLLOWING-THE-FUBLICHEARINGPROVIDEDPORIN								
6	SUBSECTION(2)7SHALL-GIVEDUENOTICE7ASDEFINEDIN								
7	76-15-1037-AND-HOLD-A-PUBLIC-HEARING-THE-GOVERNING-BODY-MAY								
8	APPROVEORDISAPPROVETHETAXEXEMPTION-PROVIDED-POR-IN								
9	SUBSECTION-(1)IF-APPROVED-THE-GOVERNING-BODY-MUSTDOSO								
10	BYASEPARATE-RESOLUTION-THE-GOVERNING-BODY-MAY-NOT-GRANT								
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15	MUST-INCLUDE-THE-APPLICATION-SUBMITTED-TO-THE-DEPARTMENT-BY								
16	THE-TAXPAYER-SEEKING-THE-EXEMPTION-								
17	<u>+C+uponreceiptop-approval-op-the-governing-body-op</u>								
18	THE-APPECTED-TAXING-JURISDICTION; THE-ASSESSORSHALL-MAKE								
19	THEASSESSMENT-CHANGE-FOR-THE-TAX-EXEMPTION-PROVIDED-FOR-IN								
20	THIS-SEETION-								
21	<pre>f2;f4;(2) "Local economic development organization"</pre>								
22	means a private, nonprofit organization whose primary								
23	purposes are to develop the economy of its area and to								
24	provide assistance to businesses in that area.								
25	NEW SECTION. Section 2. Building and land tax								

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HB 914 REFERENCE BILL AS AMENDED

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1 exemption -- procedure -- termination. (1) A building and 2 land owned by a local economic development organization that 3 the local economic development organization intends to sell 4 lease to a profit-oriented, employment-stimulating or 5 business are eligible for an exemption from property taxes 6 as provided in this section.

7 (2) In order to qualify for the tax exemption described 8 in this section, the governing body of the affected COUNTY, 9 CONSOLIDATED GOVERNMENT, incorporated city or town, or7--if 10 the-building-and-iand-are-iocated-in-an-unincorporated-area-11 the--consolidated--government--or--county SCHOOL DISTRICT IN 12 WHICH THE BUILDING AND LAND ARE LOCATED shall approve the 13 tax exemption by resolution, after DUE notice, AS DEFINED IN 14 76-15-103, and hearing. THE GOVERNING BODY MAY APPROVE OR DISAPPROVE THE TAX EXEMPTION PROVIDED FOR IN SUBSECTION (1). 15 16 THE GOVERNING BODY SHALL APPROVE A TAX EXEMPTION BY A SEPARATE RESOLUTION. THE GOVERNING BODY MAY NOT GRANT 17 18 APPROVAL FOR THE BUILDING AND LAND UNTIL ALL OF THE APPLICANT'S TAXES HAVE BEEN PAID IN FULL. TAXES PAID UNDER 19 20 PROTEST DO NOT PRECLUDE APPROVAL. Prior to holding the 21 hearing, the governing body shall determine that the local 22 economic development organization:

23 (a) is a private, nonprofit corporation, as provided in 24 Title 35, chapter 2, and is exempt from taxation under 25 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business 1 2 assistance work in the area; and 3 (c) owns or will own the building and land. (3) UPON RECEIPT OF APPROVAL OF THE GOVERNING BODY OF 4 THE AFFECTED TAXING JURISDICTION, THE ASSESSOR SHALL MAKE 5 6 THE ASSESSMENT CHANGE FOR THE TAX EXEMPTION PROVIDED FOR IN 7 THIS SECTION. (3)(4) The tax exemption described in subsection (1) 8 9 applies ONLY to the number of mills levied and assessed in 10 the -- furisdictions -- in -- which -- the -- building -- and -- land -- are 11 focated --- The BY THE GOVERNING BODY APPROVING THE EXEMPTION OVER WHICH THE GOVERNING BODY HAS SOLE DISCRETION. IF THE 12 GOVERNING BODY OF A COUNTY, CONSOLIDATED GOVERNMENT, OR 13 14 INCORPORATED CITY OR TOWN APPROVES THE EXEMPTION, THE exemption applies to levies or assessments required under 15 Title 15, chapter 10, 20-9-331, or 20-9-333 and other levies 16 17 required under state law. (4)(5) When a local economic development organization 18 sells, leases, or otherwise disposes of the exempt property 19 to a purchaser or lessee that is not a local economic 20 21 development organization or a unit of federal, state, or

local government, the tax exemption provided in this section 22 terminates. The termination of the exemption applies January 23 1 of the taxable year immediately following the sale, lease, 24 or other disposition of the property. [UPON TERMINATION OF 25

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1	THE	EXEMPTION,	THE	PROPERTY	MUST	BE	ASSESSED	AS	PROVIDED	IN

2 [SECTION 1 OF HOUSE BILL NO. 757].]

3 <u>NEW SECTION.</u> Section 3. Codification instruction.

4 [Sections 1 and 2] are intended to be codified as an

5 integral part of Title 15, chapter 24, and the provisions of

6 Title 15, chapter 24, apply to [sections 1 and 2].

7 NEW SECTION. SECTION 4. COORDINATION INSTRUCTION. IF

8 HOUSE BILL NO. 757 IS NOT PASSED AND APPROVED, THE BRACKETED

9 SENTENCE IN (SECTION 2(4) OF THIS ACT) IS VOID.

-End-